

***In the Specification:***

Please amend paragraphs 16 and 17 as provided below.

[0016] For the purpose of illustrating the invention, the drawings show a form of the invention that is presently preferred. However, it should be understood that the present invention is not limited to the precise arrangements and instrumentalities shown in the drawings, wherein:

FIG. 1 is a schematic diagram of the system of the present invention and the retail store supply chain with which it is used;

FIG. 2 is a schematic diagram of the system of the present invention;

FIG. 3 is a schematic diagram of one implementation of the system;

FIG. 4 is a schematic diagram of another implementation of the system;

FIG. 5 is a schematic diagram illustration the interrelationship of elements of the system and inputs to the system at the retail level, i.e., at the top level in the supply chain;

FIG. 6 is a schematic diagram illustrating the interrelationship of elements of the system and inputs to the system at the supplier level, i.e., at the second level in the supply chain;

FIG. 7 is a schematic diagram illustrating the Manufacturing Resource Planning (MRP) system of the system at the manufacturer level, i.e., at the third level in the supply chain;

FIG. 8 is a schematic representation of how forecasts are stored in memory with the system;

FIG. 9 is a flow diagram illustrating the logic used for determining time periods for forecasting;

FIGS. 10a-10c are sequential flow diagrams illustrating the overall logic used for replenishment planning;

FIG. 11 is a flow diagram illustrating the logic used for converting shelf configuration into safety stock level;

FIG. 12 is a flow diagram illustrating the logic used for updating the safety stock using future safety stock levels;

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FIG. 13 is a flow diagram illustrating the logic used for low-volume products;

FIG. 14 illustrates a screen display of the system containing information for a retail store at the top level of the supply chain; and

FIG. 15 is similar to FIG. 14, except that it pertains to a supplier at the second level of the supply chain.

[0017] There are any number of other permutations of this supply chain, each of which may be appropriate to the distribution of a particular product to a retail store or stores. The important element is not the specific structure of the supply chain for a particular product at a particular store, or the number of levels in the supply chain, but rather the fact that multiple customer-supplier relationships exist in the supply chain, and these can be integrated into a single planning and replenishment network. The levels in this network can have the same or different systems 20, yet the network functions as a whole. This is analogous to the Internet where different types, models, and manufacturer's computers are integrated into a network. Where the common language of the Internet is the transmission control protocol/internet protocol (TCP/IP) protocol, the common language of the supply chain network is the schedule of projected replenishments between any two nodes in the supply chain (e.g., a retail store 23 and a supplier 24).

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